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SIPDIS

SENSITIVE

FROM AMBASSADOR HUME TO THE SECRETARY

DEPT FOR D-LEW, EAP A/S CAMPBELL, AND S/ECC TODD STERN  
USAID FOR A/A MARGOS ELLIS

E.O. 12958: N/A

TAGS: [EAGR](#) [EAID](#) [KGHG](#) [SENV](#) [PREL](#) [ID](#)

SUBJECT: Climate Change Funds for Southeast Asia Best Spent in  
Indonesia

REF: A) Jakarta 1314, B) Bangkok 2259

¶1. (SBU) The Department should invest limited U.S. funds for climate change where potential gains are the greatest. In Southeast Asia, that place is Indonesia. I urge that the proposed Asia Regional Center for Excellence on Climate Change (ARC) be put in Indonesia.

#### Political Rationale

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¶2. (SBU) Indonesia, the only Southeast Asian country in the G-20, is taking a stronger role in regional and global affairs. At the 13th UN Conference of the Parties in Bali, Yudhoyono sponsored the Bali Road Map to move discussions forward. He also brought together six neighboring nations to launch the Coral Triangle Initiative to protect the biodiversity and food sources in those critical waters. In May 2009, he hosted the World Oceans Conference, where you sent a well-received video address, to bring oceans into the climate debate. Yudhoyono advanced current global negotiations on climate when he declared at the Pittsburgh G-20 Indonesia's unilateral commitment to reduce emissions by 26% below a business-as-usual (BAU) scenario by 2020, or by 41% with international assistance. Indonesia was the first developing country to break ranks with the G-77 in stark contrast to China and India.

#### Climate Significance

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¶3. (SBU) Indonesia is the world's third largest emitter of greenhouse gases. Its forests and peat lands house the world's second highest terrestrial biodiversity and its tropical forest coverage ranks only behind Brazil and the Congo. Indonesia's waters host the world's highest marine biodiversity and the potential for climate-related adaptation successes, including on food security, could be brought to the region and as far as Africa in the future.

¶4. (SBU) Over the next two decades, this growing Muslim-majority population country of 240 million, 41% of ASEAN, will see its energy usage and industry expand to where emissions will increase over seven fold. A low-carbon, green growth path is necessary, as much as it is for China and India. There can be no global solution to climate change without Indonesia.

#### Impact for the Region and the 3rd Largest Emitter

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¶5. (SBU) The proposed ARC will have its largest impact, politically and practically, on the country where it is located. During their bilateral meeting at APEC, Presidents Obama and Yudhoyono discussed Indonesia's importance to the world stage as a participant in G-20, a key member of ASEAN, and major player on climate change. Placing

the ARC in Indonesia would reinforce POTUS' message regarding Indonesia's importance to the region and to global affairs. Indonesia's centrality to ASEAN will facilitate regional work on climate mitigation, adaptation and energy. Already, Indonesia stands as a locus of peat lands and forests research and policy experimentation. Its waters merit climate science focus and adaptation efforts. Its energy and industry is large enough, yet not yet emitting heavily, to apply low carbon growth strategies. Lessons learned could be adapted as best practices for other nations with significant forests, coastal communities and growing industries. In the process of serving the region, placement of this center in Indonesia also will contribute to reducing many more tons of greenhouse gases in this third largest emitting country than if it were placed elsewhere.

Hume